

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS

Second Regular Session

HOUSE BILL NO. 7300



INTRODUCED BY REPRESENTATIVE XAVIER JESUS D. ROMUALDO

EXPLANATORY NOTE

Insular Broadcasting System, Inc. (IBSI) was incorporated in 1986 to engage in radio and television broadcasting and communications. In 1995, Congress, through Republic Act No. 7964, granted IBSI a franchise to operate radio and television broadcasting stations, including special broadcast and other broadcast distribution services and relay stations.

Today, IBSI owns and operates two radio stations, DWQZ 97.9 FM Home Radio in Metro Manila and DWIM 936 AM MIMAROPA in Calapan, Oriental Mindoro. DWIM 936 AM MIMAROPA broadcasts reports on the news, as well as commentary and analysis on public issues. On the other hand, DWQZ 97.9 FM Home Radio broadcasts easy listening music and sentimental love songs. It also provides hourly news updates and public service announcements. DWQZ 97.9 FM Home Radio can also be heard in Batangas, Laguna, Cavite, Rizal, Quezon, Tarlac, and Pampanga. IBSI now intends to expand its operations to other parts of the country and currently has pending applications with the National Telecommunications Commission to operate two (2) FM radio stations in Sipalay, Negros Occidental and Bislig, Surigao del Sur.

Considering that IBSI has made appropriate use of its franchise, complied with the provisions thereof, invested significantly in broadcasting stations and equipment, and intends to continue and expand its operations, it is apt for Congress to renew and update IBSI's franchise to operate radio and television broadcasting stations, including digital television systems, internet protocol (IP) related services, and IP value-added services.

Accordingly, the support of the Members of Congress for the prompt and timely passage of this measure is earnestly sought.

A handwritten signature in black ink, appearing to be 'X-JR', written over a horizontal line.

XAVIER JESUS D. ROMUALDO

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**AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS
THE FRANCHISE GRANTED TO INSULAR BROADCASTING SYSTEM, INC.
UNDER REPUBLIC ACT NO. 7964, ENTITLED, "AN ACT GRANTING THE INSULAR
BROADCASTING SYSTEM, INC. A FRANCHISE TO INSTALL, OPERATE AND
MAINTAIN BROADCASTING STATIONS IN THE PHILIPPINES"**

Be it enacted by the Senate and House of Representative of the Philippines in Congress assembled:

1 SECTION 1. *Nature and Scope of Franchise.* – Subject to the provisions of the
2 Constitution and applicable laws, rules, and regulations, the franchise granted to Insular
3 Broadcasting System, Inc., hereunder referred to as the grantee, its successors or assigns, under
4 Republic Act No. 7964, to construct, install, establish, operate, and maintain, for commercial
5 purposes and in the public interest, throughout the Philippines, radio and television broadcasting
6 stations, including digital television systems, internet protocol (IP) related services, and IP value-
7 added services, through microwave, satellite, or whatever means, including the use of any new
8 technologies in television and radio systems, with the corresponding technological auxiliaries
9 and facilities, special broadcast, and other program and distribution services and relay stations.

10
11 SEC. 2. *Manner of Operation of Stations or Facilities.* – The stations or facilities of the
12 grantee shall be constructed and operated in a manner as will, at most, result only in the
13 minimum interference on the wavelengths or frequencies of existing stations or other stations
14 which may be established by law, without in any way diminishing its own privilege to use its
15 assigned wavelengths or frequencies and the quality of transmission or reception thereon as
16 should maximize the rendition of the grantee's services and the availability thereof.

1 SEC. 3. *Prior Approval of the National Telecommunications Commission.* – The grantee
2 shall secure from the National Telecommunications Commission (NTC) the appropriate permits
3 and licenses for the construction and operation of its stations and facilities and shall not use any
4 frequency in the radio and television spectrum without authorization from the NTC. The NTC,
5 however, shall not unreasonably delay or withhold the grant of any such authority.

6
7 The grantee shall not dispose or lease its facilities, except to entities with a radio or television
8 franchise: *Provided*, That the grantee shall inform and secure written authorization to proceed
9 from the NTC and report the transaction to the NTC within sixty (60) days after its completion:
10 *Provided, further*, That the NTC shall determine the corresponding sanction for any violation of
11 this provision.

12
13 SEC. 4. *Responsibility to the Public.* – The grantee shall provide, through its broadcasting
14 stations or facilities, adequate public service time to enable the government to reach the
15 population on important public issues; provide, at all times, sound, and balanced programming;
16 promote public participation, such as in community programming; assist in the functions of
17 public information and education; conform to the ethics of honest enterprise; and not use its
18 stations or facilities for the broadcasting of obscene and indecent language, speech, act, or scene,
19 or for the dissemination of deliberately false information or willful misrepresentation to the
20 detriment of the public interest, or to incite, encourage, or assist in subversive or treasonous acts.

21
22 SEC. 5. *Right of the Government.* – The radio spectrum is a finite resource that is part of
23 the national patrimony and the use thereof is a privilege conferred upon the grantee by the State
24 and may be withdrawn anytime after the observance of due process.

25
26 A special right is hereby reserved to the President of the Philippines, in times of war, rebellion,
27 public peril, calamity, emergency, disaster, or disturbance of peace and order, to temporarily take
28 over and operate the stations or facilities of the grantee, temporarily suspend the operation of any
29 station or facility of the grantee in the interest of public safety, security, and public welfare, or
30 authorize the temporary use and operation thereof by any agency of the government, upon due

1 compensation to the grantee, for the use of its stations or facilities during the period when these
2 shall be so operated.

3
4 SEC. 6. *Term of the Franchise.* – This franchise shall be in effect for a period of twenty-
5 five (25) years from the effectivity of this Act, unless sooner revoked or cancelled. This
6 franchise shall be deemed *ipso facto* revoked in the event the Grantee fails to operate
7 continuously for two (2) years.

8
9 SEC. 7. *Self-Regulation by and Undertaking of the Grantee.* – The grantee shall not
10 require any previous censorship of any speech, play, act or scene, or other matter to be
11 broadcasted from its stations, but if any such speech, play, act or scene, or other matter should
12 constitute a violation of the law or infringement of a private right, the grantee shall be free from
13 any liability, civil or criminal, for such speech, play, act or scene, or other matter: *Provided*, That
14 the grantee, during any broadcast, shall cut off from the air a speech, play, act or scene, or other
15 matter being broadcasted, if the tendency thereof is to propose or incite treason, rebellion, or
16 sedition, or the language used therein or the theme thereof is indecent or immoral: *Provided*,
17 *further*, That willful failure of the grantee to do so shall constitute a valid cause for the
18 revocation and cancellation of this franchise.

19
20 SEC. 8. *Warranty in Favor of National and Local Governments.* – The grantee shall hold
21 the national, provincial, city, and municipal governments of the Philippines free from all claims,
22 liabilities, demands, or actions arising out of accidents that cause death or injury to persons or
23 damage to property during the construction or operation of the grantee's stations.

24
25 SEC. 9. *Sale, Lease, Transfer, Grant, Usufruct, or Assignment of the Franchise.* – The
26 grantee shall neither sell, lease, transfer, grant the usufruct of, or assign this franchise or the
27 rights and privileges acquired thereunder to any person, firm, company, corporation, or other
28 commercial or legal entity, nor merge with any other corporation or entity, nor transfer its
29 controlling interest, whether as a whole or in parts and whether simultaneously or
30 contemporaneously, to any such person, firm, company, corporation, or entity without the

1 approval of the Congress of the Philippines: *Provided*, That the Congress shall be informed of
2 any sale, lease, transfer, grant of usufruct, or assignment of the franchise, or the rights and
3 privileges acquired thereunder, or the merger or transfer of the controlling interest of the grantee,
4 within sixty (60) days after the completion of such transaction: *Provided, further*, That failure to
5 report to the Congress such change shall render the franchise *ipso facto* revoked: *Provided*,
6 *finally*, That any person or entity to which the franchise is sold, transferred, or assigned shall be
7 subject to the same conditions, terms, restrictions, and limitations of this Act.

8
9 SEC. 10. *Annual Report to the Congress*. – The grantee shall submit an annual report to
10 the Congress of the Philippines, through the Committee on Legislative Franchises of the House
11 of Representatives and the Committee on Public Services of the Senate, on its compliance with
12 the terms and conditions of this franchise and on its operations on or before April 30 of every
13 year, during the term of the franchise. Such report shall include updates on the development or
14 expansion of the grantee's business, the grantee's audited financial statements, as certified by the
15 Securities and Exchange Commission, and the grantee's latest general information sheet.
16 Reportorial compliance certifications issued by the House of Representatives and the Senate
17 shall be required before any application or petition by the grantee is accepted by the NTC

18
19 SEC. 11. *Fine*. – The grantee shall be penalized with a fine of five hundred pesos
20 (P500.00) for every working day that it shall fail to submit its annual report to the Congress of
21 the Philippines. Such fine shall be collected by the NTC and shall be separate and distinct from
22 the penalties it may impose for non-compliance with its own reportorial requirements.

23
24 SEC. 12. *Equality Clause*. – Except for taxes and customs duties, any advantage, favor,
25 privilege, exemption, or immunity granted under existing franchises, or which may hereafter be
26 granted for radio or television broadcasting shall, upon prior review and approval of the
27 Congress of the Philippines, shall become part of this franchise and shall be accorded
28 immediately and unconditionally to the grantee: *Provided*, That the foregoing shall neither apply
29 to nor affect the provisions of broadcasting franchises concerning territorial coverage, the term,
30 or the type of service authorized by the franchise.

1 SEC 13. *Repealability and Non-Exclusivity Clause.* – This franchise shall be subject to
2 amendment, alteration, or repeal by the Congress of the Philippines, when the public interest so
3 requires and shall not be interpreted as an exclusive grant of the privileges herein provided for.

4
5 SEC 14. *Separability Clause.* – If any provision of this Act is declared invalid or
6 unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

7
8 SEC. 15. *Repealing Clause.* – All laws, decrees, executive orders and issuances, rules and
9 regulations, and other issuances, or parts thereof, that are inconsistent with the provisions of this
10 Act are hereby repealed or modified accordingly.

11
12 SEC 16. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
13 publication in the Official Gazette or in a newspaper of general circulation.

14
15 Approved,